AMENDED IN ASSEMBLY JUNE 25, 1998 AMENDED IN SENATE MARCH 17, 1998

SENATE BILL

No. 1606

Introduced by Senator Lewis

February 11, 1998

An act to add Article 12.5 (commencing with Section 4177) to Chapter 9 of Division 2 of the Business and Professions Code, relating to pharmacy. An act to amend Section 1261.5 of, and to add Section 1261.6 to, the Health and Safety Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1606, as amended, Lewis. Pharmacy: automated drug delivery systems.

Existing law, the Pharmacy Law, provides for the licensing and regulation of the practice of pharmacy, under the jurisdiction of the California State Board of Pharmacy. It prescribes requirements for the dispensing of drugs, as specified.

This bill would authorize, with respect to an agreement between a pharmacy and health facility, defined to include convalescence and rehabilitation facilities, the administration of drugs from an automated drug dispensing system in the facility, subject to specified conditions.

Existing law provides for the licensing and regulation of health facilities, including skilled nursing facilities and intermediate care facilities, administered by the State Department of Health Services.

SB 1606 -2-

Existing law limits the number of oral dosage form or suppository form drugs provided by a pharmacy to a skilled nursing facility or intermediate care facility for storage in a secured emergency supplies container to 24 and authorizes the department to provide for other specified limitations.

This bill would provide, commencing July 1, 1999, that limitations imposed pursuant to these provisions on the number or quantity of oral or suppository form drugs provided by a pharmacy to a skilled nursing or intermediate care facility shall not apply to an automated drug delivery system, as defined by the bill, when a pharmacist controls access to the drugs.

The bill would also provide, commencing July 1, 1999, that access to an automated drug delivery system shall be limited to personnel authorized by law to administer drugs and who have an access code to these systems, would set forth requirements of a health facility and pharmacy with regard to the installation, operation, and review of an automated drug delivery system, and would exempt an automated drug delivery system from certain drug labeling requirements.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Article 12.5 (commencing with Section
- 2 SECTION 1. Section 1261.5 of the Health and Safety
- 3 Code is amended to read:
- 4 1261.5. Notwithstanding Section 72377 of Title 22 of
- 5 the California Code of Regulations, the (a) The number
- 6 of oral dosage form or suppository form drugs provided
- by a pharmacy to a health facility licensed pursuant to
- 8 subdivision (c), (d), or both (c) and (d), of Section 1250
- 9 for storage in a secured emergency supplies container,
- 10 pursuant to Section 4035 of the Business and Professions
- 11 Code, shall be limited to 24. The State Department of
- 12 Health Services may limit the number of doses of each
- 13 drug available to not more than four doses of any separate
- 14 drug dosage form in each emergency supply.

-3-**SB 1606**

(b) Any limitations established pursuant to subdivision 2 (a) on the number and quantity of oral dosage or suppository form drugs provided by a pharmacy to a health facility licensed pursuant to subdivision (c), (d), or both (c) and (d) of Section 1250 for storage in a secured emergency supplies container shall not apply to an automated drug delivery system, as defined in Section 1261.6, when a pharmacist controls access to the drugs. This subdivision shall become operative July 1, 1999.

SEC. 2. Section 1261.6 is added to the Health and 10 11 *Safety Code, to read:*

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- 1261.6. (a) For purposes of this section and Section 13 1261.5, an "automated drug delivery system" means a 14 mechanical system that performs operations or activities, other than compounding or administration, relative to 16 the storage, dispensing, or distribution of drugs and that collects, controls, and maintains all transaction 18 information so that it accurately reflects the complete removal of drugs and provides for security 20 accountability of drug products.
- (b) Access to an automated drug delivery system shall 22 be limited to personnel authorized by law to administer drugs and who have an access code to the system.
- (c) (1) Prior to the installation of an automated drug 25 delivery system, the facility and the pharmacy shall develop written policies and procedures to ensure safety, accountability, accuracy, security, and confidentiality, and to define access and limits to access to equipment and drugs.
- (2) All policies and procedures shall be maintained at 30 31 the location where the system is being used.
 - (d) Drugs dispensed from the automated drug delivery system shall be limited to the following:
- 34 (1) Drugs ordered by a prescriber for a patient of the 35 facility for administration prior to the next scheduled 36 delivery from the pharmacy, or 72 hours, whichever is These drugs shall be dispensed only authorization by a pharmacist after the pharmacist has 38 reviewed the prescriber's order.

SB 1606 __4__

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(2) Drugs that a prescriber has ordered for a patient on an as needed basis, if the utilization of those drugs is subject to the ongoing review by a pharmacist.

- (3) Drugs designated by the patient care policy 5 committee or pharmaceutical service committee of the 6 facility as emergency drugs or acute onset drugs. These 7 drugs may be dispensed pursuant to the order of a 8 prescriber for emergency or immediate administration to a patient of the facility.
- (e) The stocking of an automated drug system shall be performed by a pharmacist. If the drug delivery system automated utilizes removable 13 packets or drawers, the stocking system may be done 14 outside of the facility and be delivered to the facility if all 15 *of the following conditions are met:*
- (1) The task of placing drugs into the removable 17 packets or drawers is performed by a pharmacist or by 18 pharmacy personnel under the direct supervision of a 19 pharmacist.
- (2) The removable packets or drawers are transported 21 to the facility in a secure tamper-evident container.
- (3) The facility, in conjunction with the pharmacy, has 23 developed policies and procedures to ensure that the 24 packets or drawers are properly placed the 25 automated drug delivery system.
- (f) Review of the drugs contained within, and the 27 operation and maintenance of, the automated drug 28 delivery system shall be done in accordance with law and shall be the responsibility of the pharmacy. The review, 30 which shall be conducted on a bimonthly basis, shall 31 include a physical inspection of the drugs in the 32 automated drug delivery system, an inspection of the automated drug delivery system machine for cleanliness, 34 and a review of the dispensing and stocking records in order to verify the security and accountability of the 36 system.
- (g) Drugs dispensed from an automated drug delivery 37 38 system that meets the requirements of this section shall not be subject to the labeling requirements of Section 40 4076 of the Business and Professions Code or Section

—5— SB 1606

111480 of this code if the drugs to be placed into the automated drug delivery system are in unit packaging or unit of use and if the information required 4 by Section 4076 of the Business and Professions Code and Section 111480 of this code is readily available at the time of drug administration.

(h) This section shall become operative July 1, 1999. 4177) is added to Chapter 9 of Division 2 of the Business and Professions Code, to read:

Article 12.5. Automated Drug Dispensing

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> 4177. As used in this article, "automated drug dispensing system" means a mechanical system that performs operations or activities, other than compounding or administration, relative to the storage, dispensing, or distribution of medications that collect, control, and maintain all transaction information as well as provide for security and accountability of drug products.

> 4177.5. A pharmacy and a health facility licensed pursuant to subdivisions (c) and (d) of Section 1250 of the Health and Safety Code that have entered into an agreement for the provision of drugs to the patients of the facility may use an automated drug dispensing system located in the facility if all of the following conditions are met:

- (a) The drugs in the automated drug dispensing system are owned by the pharmacy until they are dispensed for patient use.
- (b) The automated drug dispensing system adequate security systems and procedures, evidenced by written policies and procedures, to do the following:
 - (1) Prevent unauthorized access.
 - (2) Comply with federal and state regulations.
 - (3) Maintain patient confidentiality.
- (4) Assure compliance with the requirements of this section.
- (c) Accountability for the drugs dispensed from the automated drug dispensing systems shall be the 40

SB 1606 — 6 —

responsibility of the pharmacist-in-charge of the pharmacy.

- (d) Filling and stocking of all medications in the automated drug dispensing system shall be performed by a pharmacist or pharmacy technician acting under the direct supervision of a pharmacist. For purposes of this section, "direct supervision" means the pharmacist shall verify that the filling and stocking of the drugs is replacement stock for drugs documented as dispensed from the system.
- (e) Drugs dispensed from the automated dispensing system shall be limited to the following:
- (1) Drugs ordered by a prescriber for a patient of the facility for administration at a time prior to the next readily scheduled delivery from the pharmacy.
- (2) Drugs that a prescriber has ordered for a patient on an as needed basis, provided the utilization of those drugs is subject to ongoing review by a pharmacist.
- (3) Drugs dispensed pursuant to the order of a prescriber for emergency administration to a patient of the facility.
- (f) Except for drugs dispensed pursuant to paragraph (3) of subdivision (e), access to the drugs in the automated drug dispensing system shall require authorization from a pharmacist who is an employee or agent of the pharmacy and who has reviewed the prescriber's order.
- (g) Review of the operation and maintenance of the automated drug dispensing system shall be the responsibility of the consultant pharmacist retained by the licensed health facility. That review shall include a physical inventory of the drugs in the automated drug dispensing system and a review of the dispensing and filling and stocking records no less than once every calendar quarter in order to verify the security accountability of the system.
- 4178. Jurisdiction over the ownership, security, accountability, and any other aspect of the operation of automated drug dispensing systems shall be with the board. Other agencies with regulatory authority over

—7 — **SB 1606**

facilities licensed pursuant to subdivision (e) or (d) of Section 1250 of the Health and Safety Code shall have access to records consistent with their authority, and shall report any problems with the operation of the system to the board.

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4178.5 An automated drug dispensing system that meets the requirements of Section 4177.5 shall not be construed to be an emergency supplies container as defined in Section 1261.5 of the Health and Safety Code and shall not be subject to any limitations imposed by that section.

4179. Drugs dispensed from an automated drug dispensing system that meets the requirements of Section 4177.5 shall not be subject to the labeling requirements of Section 4076 or Section 111480 of the Health and Safety 16 Code if the automated drug dispensing system contains the information required by those sections or if the information is otherwise readily available at the time of drug administration.